

STATE OF MICHIGAN
COURT OF APPEALS

TECHSTYLES, INC,

Plaintiff-Appellant,

v

LEAR CORPORATION,

Defendant-Appellee.

UNPUBLISHED

April 22, 2014

No. 313957

Oakland Circuit Court

LC No. 2012-125969-CZ

Before: HOEKSTRA, P.J., and SAWYER and GLEICHER, JJ.

PER CURIAM.

Plaintiff appeals as of right an order granting summary disposition to defendant. We affirm.

In its complaint, plaintiff alleged that it had a contractual relationship with Pearl Leather Finishers, Inc. (Pearl), a non-party, in which plaintiff was to act as “Pearl’s exclusive agent to solicit orders and contracts for the sale of all automotive leather products manufactured and/or marketed by Pearl.” Based on the contract, plaintiff was to be paid a commission for all of Pearl’s business that was procured by plaintiff. Plaintiff alleged that it procured business from Ford Motor Company (Ford) for Pearl, in which Pearl was to “cut, set, and finish automotive leather products” for specific Ford vehicles. Plaintiff contended that it was entitled to be paid a commission based on this business. However, plaintiff alleged that defendant, knowing that plaintiff had procured the Ford business for Pearl, entered into a “secret agreement” with Pearl, which stated that defendant, not Pearl, would complete the work on the automotive leather products for Ford. Plaintiff also alleged that defendant previously had “contractual relationships with Ford to cut, set, and finish automotive leather products,” however, due to “quality control issues, Ford terminated its relationship” with defendant. Plaintiff further alleged that it did not have knowledge of this “secret agreement,” defendant received payment from Ford for this business, and plaintiff did not receive any commission from either Pearl or defendant.

The trial court granted defendant’s motion for summary disposition regarding plaintiff’s unjust enrichment claim, holding the following:

Defendant also argues that the unjust enrichment claim fails because Plaintiff has not alleged that Defendant received a benefit from Plaintiff. Indeed, to state a valid unjust enrichment theory, Plaintiff must allege that Defendant received a benefit from Plaintiff and it would be inequitable for Defendant to

retain that benefit. *Barber v SMH (US), Inc*, 202 Mich App 366, 375[; 509 NW2d 791] (1993). Although Plaintiff alleges that Defendant received contract work from Ford that Plaintiff procured for Pearl, Plaintiff fails to explain how this fact would equate to Defendant receiving a benefit from Plaintiff. There is no dispute that Plaintiff had nothing to do with Defendant receiving the leather seat contracts. Rather, Plaintiff alleges that Defendant obtained the work through a “secret agreement” with Pearl. Thus, by Plaintiff’s own allegations, Defendant received a benefit from Pearl, not Plaintiff. Further, Defendant was under no obligation to pay Plaintiff commissions, and thus the fact that Defendant did not have to pay a commission for the contract work cannot be construed as a benefit. Because Plaintiff fails to allege how Defendant received a benefit from Plaintiff, its unjust enrichment claim fails as a matter of law and Defendant is entitled to summary disposition of that claim.

Plaintiff argues that the trial court erred by granting defendant’s motion for summary disposition because it sufficiently alleged that defendant had received a benefit *from* plaintiff, and thus, plaintiff stated a valid unjust enrichment claim. We disagree.

Defendant’s motion for summary disposition was granted on plaintiff’s unjust enrichment claim pursuant to MCR 2.116(C)(8). “This Court reviews de novo a trial court’s decision to grant summary disposition.” *Knight v Northpointe Bank*, 300 Mich App 109, 113; 832 NW2d 439 (2013). A motion under MCR 2.116(C)(8) “tests the legal sufficiency of the claim on the basis of the pleadings alone and the ruling is reviewed de novo.” *Bailey v Schaaf*, 494 Mich 595, 603; 835 NW2d 413 (2013). “The motion must be granted if no factual development could justify the plaintiff’s claim for relief.” *Id.* (internal citations omitted). All factual allegations in the complaint are accepted as true for the purposes of the motion. *Id.*

Plaintiff originally stated a claim for unjust enrichment, which “is defined as the unjust retention of money or benefits which in justice and equity belong to another.” *Tkachik v Mandeville*, 487 Mich 38, 47-48; 790 NW2d 260 (2010) (internal citations and quotations omitted). “No person is unjustly enriched unless the retention of the benefit would be unjust.” *Id.* at 48 (internal citations and quotations omitted). To sufficiently allege a claim of unjust enrichment, a plaintiff must “establish (1) the receipt of a benefit by the other party from the complaining party and (2) an inequity resulting to the complaining party because of the retention of the benefit by the other party.” *Karaus v Bank of New York Mellon*, 300 Mich App 9, 22-23; 831 NW2d 897 (2012).

Plaintiff fails to allege sufficient facts to establish the first prong of the unjust enrichment claim because it did not sufficiently allege that defendant received a benefit *from* plaintiff. This Court, in *Karaus*, held that the defendant, a mortgage company, did not receive a benefit *from* the plaintiff, a contractor, for roof repair work performed pursuant to a contract between the plaintiff and a homeowner. *Id.* at 23-24. The plaintiff, in *Karaus*, argued that it had made an improvement in the home by fixing the roof, and the defendant, as the mortgage company, received a benefit *from* the plaintiff because it had a security interest in the property. *Id.* This Court disagreed with the defendant and stated:

“A third party is not unjustly enriched when it receives a benefit from a contract between two other parties, where the party benefited has not requested the benefit or misled the other parties. . . . Otherwise stated, the mere fact that a third person benefits from a contract between two other persons does not make such third person liable in quasi-contract, unjust enrichment, or restitution. Moreover, where a third person benefits from a contract entered into between two other persons, in the absence of some misleading act by the third person, the mere failure of performance by one of the contracting parties does not give rise to a right of restitution against the third person.” [*Id.* at 24., quoting 66 Am Jur 2d, Restitution and Implied Contracts, § 32, p 628.]

Evaluating the defendant’s motion for summary disposition, pursuant to MCR 2.116(C)(8), this Court determined that the defendant had not received a benefit *from* the plaintiff, but instead, had “merely received the benefit from the contract” between the plaintiff and the homeowner. *Karaus*, 300 Mich App at 24.

The principle established in *Karaus*, applied to the instant case, leads to the conclusion that defendant did not receive a benefit *from* plaintiff, but merely, if anything, received a benefit from the contract between plaintiff and Pearl. The trial court properly held that plaintiff failed to state a valid unjust enrichment claim because defendant had not received a benefit *from* plaintiff. Taking plaintiff’s factual allegations in the complaint as true, *Bailey*, 494 Mich at 603, defendant only obtained a benefit—the leather work from Ford—based on the contract between plaintiff and Pearl, under which plaintiff procured that work for Pearl. Defendant obtained the leather finishing work from its agreement with Pearl, and thus, only received a benefit from Pearl. However, defendant did not request a benefit from plaintiff because defendant never requested that plaintiff procure the Ford leather work on behalf of either defendant or Pearl. In fact, if defendant requested any benefit, it requested the leather finishing work from Pearl. Lastly, plaintiff did not present any allegations in its complaint that indicated that defendant misled the parties. Based on this Court’s reasoning in *Karaus*, plaintiff has failed to establish the first requirement for an unjust enrichment claim—that defendant received a benefit from plaintiff. See *Karaus*, 300 Mich App at 24-25. Thus, the trial court did not err by holding that plaintiff failed to state a valid unjust enrichment claim.

Next, plaintiff argues, in the alternative, that it sufficiently alleged facts to establish the second requirement of an unjust enrichment claim—that allowing defendant to retain the benefit would be unjust. Plaintiff also argues that it was not barred from asserting a claim against defendant simply based on the presence of a legal remedy it might have against Pearl for breach of contract. However, based on this Court’s determination that plaintiff did not state a valid unjust enrichment claim against defendant because defendant did not receive a benefit *from* plaintiff, this Court need not analyze these additional arguments.

Affirmed.

/s/ Joel P. Hoekstra
/s/ David H. Sawyer
/s/ Elizabeth L. Gleicher